

## **Frequently Asked Questions**

### **Rocky Mount Event Center & Market/Feasibility Study**

1. **What is a market/feasibility study?** A market/feasibility study is an evaluation and economic impact analysis to determine if a market or demand exists for the project. In regards to the proposed Rocky Mount Event Center, a study was completed to determine whether having an Event Center in Rocky Mount's Downtown area would be practical, beneficial and utilized. The study revealed a market does exist for an event center.

**Why does the City of Rocky Mount think it's necessary to build an Event Center now?** The idea of a Civic Center first originated with Rocky Mount City Council members in the 1940's. It was then discussed in 1974 and the late 1990's.

In the 1974 report, a Civic Center was to be used almost exactly as the current City Council's proposed Event Center, as a multipurpose venue for recreational events, business trade shows, consumer trade shows, conventions, meetings, cultural events like variety shows and stage productions, civic, social and religious events, as well as expositional events involving product displays and meetings.

Also, in 2012, the idea of an Event Center reemerged when the City was named host for the 2013 and 2014 USA South Spring Sports Festival. Teams from the member institutions, along with their families, attended sporting tournaments for baseball, softball, golf, tennis and lacrosse.

According to Nash County's Travel & Tourism Bureau, the economic impact from the 2013 festival was approximately \$500,000. The USA South Conference expressed a desire for Rocky Mount to host their basketball conference games. These games required an arena with a seating capacity of 3,000-6,000. Rocky Mount does not have a facility, so USA South basketball was played in Fayetteville's Crown Coliseum.

A facility with at least 3,000-5,000 seats will allow the City an opportunity to attract more events and increase the economic impact in the region.

2. **Are there others who have shared their thoughts on an Event Center?** AECOM, the company that prepared the Rocky Mount Event Center Market/Feasibility Study, interviewed stakeholders and potential users of the facility to get a better understanding of what was needed in this market. Surveys were also completed by local businesses, facility managers and Chamber members. AECOM also surveyed state associations about their interest in holding events in Rocky Mount. These groups suggested there is a need for a larger venue to host events like the Chamber's Business Expo, *Rocky Mount Telegram's* Arts & Crafts Gala, the homebuilders show, and high school and college graduations.

**3. Exactly what types of events can we expect to see in this proposed facility?**

The Event Center would be multipurpose, to include sporting events, tournaments, dance competitions, concerts, family shows, convention and trade shows, consumer shows, meetings and conferences, graduations, church related events and social events (reunions).

**4. What is the capacity and what are some other characteristics?** The center is expected to be 125,000 square feet, with a nearly 15,000 square foot meetings/banquet facility. It will seat at least 5,000, and there will be a limited amount of premium seating. Additionally, there will be 2,000 parking spaces. AECOM has estimated one parking space for every three seats.

**5. Wouldn't an Event Center be in direct competition with Rocky Mount's other buildings, like the Dunn Center, the Imperial Centre for the Arts and Sciences and the Sports Complex?** Existing facilities will complement the Event Center versus competing with it. Venues currently in Rocky Mount do not have the capacity to host activities the public will find at the Event Center. For example, the Imperial Centre Theatre consists of a 300-seat auditorium, while the Dunn Center for the Performing Arts includes a 1,181-seat auditorium and a recital hall with a capacity of 132. The largest publicly used facility currently in this area is the Brown Auditorium Business and Industry Center which seats 1,200.

In addition, the Rocky Mount Sports Complex only hosts outdoor events with tournaments typically running March to November on weekends only. An Event Center would allow us to retain these outdoor tournaments plus host other events (indoors), building on the success of the Sports Complex. Such events include basketball and volleyball tournaments, as well as cheer competitions.

The City would also market such a facility for team sports, just as is done with the Sports Complex. Potentially, we could be a regional hub for athletic activities.

**6. Rocky Mount has a population of approximately 58,000. We are not a major city like Raleigh or Charlotte, so what type of demand and attendance do you think there will be for events at this center?** The demand and attendance should be high and is expected to increase significantly after the first few years of operation. In fact, AECOM has projected the total attendance to range from approximately 230,000 to 290,000 in the facility's first 10 years, with event demand going from 116 to 138 within the same time frame.

The Rocky Mount Sports Complex is a prime example when considering attendance progression. From 2007 to 2008, there were 43,080 tournament participants and guests. That number increased to 76,913 in 2012-2013.

Remember, the Event Center will not just draw Rocky Mount's residents, but people throughout N.C. and from other states.

7. **What is the estimated cost for this center, and will citizens be burdened with a heavy tax to pay for it?** The cost will be \$37 million, and there are a number of potential sources for funding, including the following:

- New Market Tax Credits-This program provides tax credit incentives to investors for equity investments in low-income communities. The goal is to spur revitalization efforts in low-income and impoverished areas across the U.S. With new market tax credits, costs could be reduced by 25 percent.
- Occupancy Tax Revenues-Hotel/motel taxes could potentially be increased by one percent and generate \$250,000 per year. Currently in Nash County, the occupancy tax rate is five percent.
- Sales Tax Revenues-There is a possibility of increasing the local sales tax by 0.25 percent for Nash County.
- Prepared Food and Beverage Tax-this local tax may apply to restaurants, food and beverages available in bars, public assembly venues, coffee shops and bakeries, catered meals and the like.

This would not be the first time the City of Rocky Mount has used a number of ways to fund a new venture. The Imperial Centre for the Arts and Sciences was funded from new market tax credits, historic tax credits, FEMA money, insurance and an occupancy tax.

8. **How much revenue will the Event Center generate?** In it's first year, the projected operating revenue will be \$1,541,000. However, the City will experience an operating loss for the Event Center, from \$300,000 to \$600,000 per year. This is typical for such centers.

9. **Why would the City build an Event Center if we know there will be a loss?** The economic impact the center will have on the City of Rocky Mount and the region will be greater than the loss. The impact is comprised of the money expected to be spent on hotel stays, transportation, meals, entertainment, shopping and more due to a trip to the Event Center. By 2020, the center's fifth and stabilized year of operation, total direct net spending to Rocky Mount will be approximately \$9.5 million. This net spending includes money spent in the facility and outside of the facility with lodging, food and beverage, retail and entertainment, transportation and other.

Note that the Rocky Mount Sports Complex also does not pay for itself. Although that's true, the complex has over 74,000 visitors annually with an economic impact of over \$8 million per year.

10. **What about the operating loss for the Event Center? How will it be funded?** In the first few years of operation, the subsidy will be funded from the City's general fund. Afterwards, with the expected growth of Downtown due to the

Event Center, we are also expecting a growth in our tax base to offset the operating subsidy. The overall goal is to minimize the amount of the required subsidy.

11. **How many jobs will be created as a direct result of the Event Center?** Expect nearly 90 jobs. The facility itself will generate 19 full-time facility operations staff. Outside of the facility, however, the total jobs will amount to 71. There will need to be employees for lodging, food and beverage, retail and entertainment, as well as transportation. Construction of the center will add an additional 199 jobs.
12. **What are some other facilities comparable to the proposed center, and do they also operate in a deficit?** Other comparable venues with a seating capacity in the 3,300 to the 7,500-seat range are the Florence Civic Center, Florence, South Carolina; the U.S. Cellular Center, Asheville, North Carolina.; the Heartland Events Center, Grand Island, Nebraska; the Cumberland County Civic Center, Portland, Maine and the Swiftel Center, Brookings, South Dakota. All incur a loss except the Heartland Events Center.
13. **The Randy Parton Theatre, now known as the Roanoke Rapids Theatre, was not successful in accomplishing its original objective. How will the Event Center be any different?** First, the Randy Parton Theatre was originally developed as a music theatre for concerts only. The Event Center will be a multi-purpose facility that will host concerts, in addition to several other events, like tournaments, trade shows, dance competitions, indoor sports and more.

Additionally, the Randy Parton Theatre was to be paid for through Tax Increment Financing, or TIF. Through TIF, a public economic development investment, the theatre was to improve surrounding property values, resulting in an increase in property tax collections. Those collections would be used to repay the borrowed money. When the project failed, there was no money to pay the borrowed debt. The City has identified a variety of financing options and revenues to cover the cost of construction and operation of the Event Center.

14. **Why take on another initiative? Isn't the City already in debt due to its other projects, like the Imperial Centre, the Douglas Block and the Sports Complex?** Overall, the City is in good shape financially and has capacity to take on some new projects. The General Fund has only \$23 million in short and long-term debt, which is well positioned compared to our peer groups.
15. **Has the City taken a look at its finances overall?** Yes, and we are financially healthy. The City currently has no bond rating because there is no bonded debt, and in the next 10 years, 82 percent of our existing debt will be paid off.

An audit completed by Martin Starnes and Associates, CPAs, Pa was favorable, indicating compliance with state programs and conservative fiscal management.

An analysis completed by Davenport indicated how the city could balance ongoing operations and maintenance needs with new initiatives, such as an Event Center.

16. **Why should Downtown be the location for the Event Center?** Downtown, also known as the City Center, is the heart of any area. Most healthy areas begin with a vibrant Downtown. Other cities in North Carolina, such as Raleigh, Charlotte, Fayetteville and New Bern have strong center cities. Their growth stemmed from the Downtown. An Event Center in Downtown will allow for an individual to attend the center and enjoy the other amenities in Downtown, all within walking distance.

In a recent council retreat to Fayetteville, North Carolina, council members learned about the investment put into Fayetteville's City Center, resulting in the growth of Fayetteville's entire city. Although our Downtown has improved, with the renovation of buildings in the Douglas Block and the addition of more stores, we still need a transformational game-changer in Rocky Mount.

17. **Where in Downtown will the Event Center be located?** No location has been determined. The purpose of the market/feasibility study is to indicate whether or not it would be in the City's best interest to build an Event Center. An architect did test several locations in the Downtown area, and it was determined that the facility can be located in Downtown physically.
18. **There are no hotels in Downtown Rocky Mount. Are there plans to have hotels near the Event Center?** There are currently no plans for hotels near Downtown, but if the Event Center is as popular and economically beneficial as AECOM suggests, it is likely that businesses and hotels will build in the vicinity.
19. **What are the next steps?** According to AECOM, having an Event Center would be beneficial to Rocky Mount. So next, a financial plan is needed. The City Manager will present a financial plan to the City Council in February 2014 for their consideration.
20. **This sounds good, but how will the Event Center benefit me?** The Event Center will spur growth and development. We need a transformational initiative to draw new residents and businesses to the region. New residents and new businesses translate to an increase in jobs, an increase in the tax base and a better quality of life. All of these strengthen the local economy and ultimately our citizens.
21. **As a citizen, I would like to share my opinion on the Event Center. Should I contact the City Council member for my ward?** Feel free to contact your City Council representative at any time to discuss the proposed Event Center. If you do not know your representative, please click [here](#) for a ward map and all council member information.

